

## **Will Homeownership in America Become Out of Reach?**

According to recent studies, it is widely perceived that we Boomers will be the first generation in this country to pass on a less prosperous and bright future for our children. I've just returned from a week in Sacramento followed by a week in Washington DC and nowhere is that prophecy more clearly demonstrated than by the current attack on the future of housing in our country.

As National Association of Realtors (NAR) Chief Lobbyist Jerry Giovaniello phrased it, "We are facing a perfect storm which, if brought to fruition, will bring a future in which only a certain class of people will be able to afford homes."

How so? Well, as you read this Congress is debating several key issues, none of which they know anything about. First and foremost is the future of your homeownership tax benefits, your mortgage interest and property tax deductions. This breaks into three areas – your primary residence, and/or any home worth more than \$1 million dollars, and/or any second home or investment property.

The 2nd & 3 options are more easily salable at this time because, as we all know, only 'THE RICH' have homes worth more than \$1 million or have a 2nd home. If they can get that program sold, they'll come after your primary residence somewhere down the line, you can bet on that. Home ownership strengthens our country and homeownership tax benefits have been a cornerstone of that strength for over 100 years.

Second, the future of the affordable 30 year fixed mortgage is on the line. Our President has proposed not a sensible restructuring of our Government Sponsored Enterprises (GSE's) Fannie Mae & Freddie Mac, but their wholesale elimination. Fannie & Freddie represent secondary market liquidity. They currently hold about 60% of the loans made in this country - and the President wants to dump all that back into the private sector.

Folks, the private sector would not have made a single loan since 2007 if not for the guaranteed liquidity provided by Fannie & Freddie. Have you tried to get a loan on a home over \$700,000 lately? Yeah, you can't. Because those so-called 'jumbo' or non-conforming loans aren't covered by Fannie & Freddie and private banks won't touch them. The promise of, and nostalgia for, private lending is a myth. The value of Fannie & Freddie should be judged on the first 76 years of their performance, not the last 4 when they were under legislative pressure to 'outperform' private lenders in the race to see who could fund the most & worst loans.

Third, the current debate arising out of last year's Dodd-Frank Wall Street Reform and Consumer Protection Act is fierce. At over 2,300 pages, this bill is the most comprehensive financial reform act ever attempted and nobody knows what the hell it says. It's an attempt to compensate or overcompensate for recent excesses and as such represents an attempt at risk management which could be more accurately defined as 'cover your ass-ets'.

But one problematic area (among many) arising from Dodd-Frank is the issue of the Qualified Residential Mortgage (QRM). Because so many lenders made bad loans they could simply sell off to others with no recourse or consequence, Dodd-Frank wants everybody from now on to have 'skin in the game.' If a lender wants to make a home loan it must meet QRM regulations or that lender must retain 5% of the value on his own books.

Sounds good, right? Except to meet QRM a borrower must put at least 20% down, have 760 or higher FICO scores and meet a variety of other criteria. That means millions of prospective good solid buyers will be bumped out of qualifying or be forced into prohibitively expensive loan programs that only the big 4 banks can offer – because smaller lenders simply cannot afford to retain loan portfolios of 5%. Executives from B of A and Wells Fargo discuss their customers

# GOAL DESIGNING

## GUIDELINES

Subtle and seemingly inconsequential adjustments transform wishes and aspirations into results.

### 1. Don't Just Think It—INK IT

The weakest ink is stronger than the strongest mind. Unless you write down your goals, they are often lost in the shuffle and excitement of new problems, challenges and decisions. Eliminate outside interruptions.

*"Reduce your plan to writing.... The moment you complete this, you will have definitely given concrete form to the intangible desire."*—Napoleon Hill

### 2. Suspend Reality

Pretend it is only a game; play in fantasy for a while. Let the giant that lay dormant inside you out to play. If you had every skill, resource or ability in the world, what would you do? What would you set out to accomplish? Don't filter, qualify or judge.

*"The same thinking that has led you to where you are is not going to lead you to where you want to go."*—Albert Einstein

Remember: Do not prejudge your ability or worthiness to have and achieve whatever your mind conceives. Let your thoughts flow.

**\*\*Understand**—you are not committing yourself to everything, or anything, you write down at first. You are brainstorming, letting your imagination take a stroll. There will be time to separate out the outrageous and absurd, but to start, just play with reckless abandon. If a genie popped out of a lamp and could grant you 10 wishes in every one of these categories, what would you write down? Go for it, play full out!

### 3. Think Big

Give yourself permission to dream big, risk big. What would you go for if you knew success was guaranteed? If you could write the script for your character's role in life—and it could be *anything*—what role would you write for yourself? What's your secret ambition? What have you always wanted to do, have, be, experience, but have been too afraid?

What is your BHAG? Your Big Hairy Audacious Goal. What is that one thing that even the thought of it makes your palms sweat a little?

Expect little and, as a result, receive little.

*"The greater danger for most of us is not that our aim is too high and we miss it, but that it is too low and we hit it."*

~Michelangelo

"A ship in harbor is safe, but that is not what ships are built for" --- John A. Shedd

"Don't set your goals too low. If you don't need much, you won't become much." --- Jim Rohn

"Dream no small dreams for they have no power to move the hearts of men." --- Johann von Goethe

#### **4. State in the Positive**

Decide what you want to move toward, not away from.

#### **Examples:**

"I am my ideal weight of X lbs. by X date," versus "I want to lose 20 lbs."

Or, "I have a positive net worth of X by X date," versus "I want to get out of debt."

Or, "I have a loving, respectful and intimate relationship with my wife," versus "I want to repair my marriage."

#### **5. State in the "I am"**

State in the present first person. I am X, versus I want X. The latter only reinforces the wanting versus the *having*.

If you write a goal like, "I want to be a millionaire," your creative energy will only produce exactly more of that outcome -- the *wanting* of being a millionaire. If you say, "I am a millionaire by December 31, 2014," your creative power will go to work on producing what you have declared to be true.

#### **6. Be Sure They Are YOUR Goals**

Many people set goals that they think they "should" have, rather than what they truly want for themselves. Don't let your family's, colleagues' or society's ideals or expectations dictate your ambitions. In fact, if your written goals are not from your true heart and inner ambition, your creative spirit will not work to produce them anyway. All it will do is frustrate you and give you the illusion that you are a failure and not capable, when in actuality you successfully avoided (didn't achieve) what your inner spirit didn't really want anyway.

**GOAL DESIGNING SYSTEM**

We are now going to list goals in each of the eight priority areas of life. Again, you are not held accountable for what you write below. We will filter later. Write everything that comes to mind. Don't just think through this, check your gut and listen to your heart. Whatever comes up, write it down.

<b>P – PHYSICAL</b>	
Thought starters: Ideal weight, run marathon, become flexible, increase stamina, elevate energy, reduce cholesterol count, improve BMI, start meditating, work with nutritionist, upgrade appearance, do make-over, schedule annual doctor exams, reduce sugar, caffeine, fatty foods, go to bed earlier, get up earlier, etc.	
1.	5.
2.	6.
3.	7.
4.	8.

<b>M – MENTAL</b>	
Thought starters: Read 30 minutes every day, listen to instructional audio for 30 minutes every day, take new college courses, go to seminars, hire a coach, join a supportive organization, build new skills, incorporate more free time into my schedule, advance knowledge in special subject, etc.	
1.	5.
2.	6.
3.	7.
4.	8.

<b>F – FAMILY</b>	
Thought starters: Spend more time with family, be home for dinner every night, begin nightly reading ritual with children, date night with spouse each Friday, review/discussion with spouse every Sunday night, visit parents twice a year, forgive or make amends with a relative, plan special outings, attract Mr. or Mrs. Right, spend one-on-one time with children, etc.	
1.	5.
2.	6.
3.	7.
4.	8.

**S – SPIRITUAL**

Thought starters: Practice your religion more faithfully, volunteer at church, join spiritual groups, read books on spirituality, live as example of my religious beliefs, teach others, study deeper, etc.

1.	5.
2.	6.
3.	7.
4.	8.

**L – LIFESTYLE**

Thought starters: Travel, adventure, luxuries, languages, hobbies, instruments you want to learn, where you want to live, how you want to live, how you want your home, time freedoms, who you want to meet, etc.

1.	5.
2.	6.
3.	7.
4.	8.

**R – RELATIONSHIPS**

Thought starters: Time with best friends, cultivate relationships with like-minded achievers, send birthday cards to all friends, spend time together with at least one friend, new relationships you would like to build, organizations to expand your relationships, relationships to limit or eliminate, etc.

1.	5.
2.	6.
3.	7.
4.	8.



## SCRUBBING—SMART and BALANCED

Now we have to check in and be sure what we decided on passes the due diligence. First of all, are the goals above completely S.M.A.R.T.? Let's check and adjust accordingly.

**S—Specific.** Specific means well defined, something that would be clear to anyone else.

Ex. Not specific -- Become debt free. Specific-- cut up my credit cards and pay off \$27,000 bills and pay off \$33,000 student loans.

**Adjust the above goals so that they are specific.**

**M—Measurable.** This is where we *quantify our objectives* so that we can measure our achievements against them. When you measure your progress, you stay on track, reach your target dates, and experience the exhilaration of achievement that spurs you on to continued effort required to reach your goal. To determine if your goal is measurable, ask questions such as, How much? How many? How will I know when it is accomplished?

Ex. Not measurable-- Get fit. Measurable----lose 25 pounds, BMI of 20, cholesterol of less than 200 mg/dL, able to run 5 miles regularly.

**Adjust the above goals so that they are measurable.**

**A—Attainable.** This is the time to pull your head out of the clouds and put your feet back on the ground. The ground may be significantly elevated, but it's solid ground nonetheless. You can't have world peace tomorrow, solve hunger this month or become a millionaire in a year if that is 20 times your current net worth. Your goals need to stretch you, push you to go farther and faster than you ever thought possible. At the same time, you don't want them to debilitate you because you know in your heart of hearts it is only a fantasy and not really possible even if you operated at your highest and best for the duration. Don't rely on any extraordinary external luck having to happen in order for you to reach your goal. What could you do and control the outcome to if you played at world-class level?

**Adjust the above goals so that they are attainable.**

**R—Relevant.** This is one of the most important criteria to scrub against. Are the goals you set above in alignment with the core values you outlined in installment No. 2? Do they align with your mission and support the vision you have for your life? You want to be sure the direction in which you focus your creative capacity is in the direction of what is truly most important to you, your life and the legacy you intend to leave. If not, reconsider.

**Adjust the above goals so that they are relevant.**

**T—Time Sensitive.** You think, act and react with the urgency and appropriate energy defined by the task. Just as your muscles prepare in one way when you stoop over to pick up the morning paper, and react in an entirely different manner when you prepare to lift a 100-pound barbell, so your mind prepares your body and your attitudes for responding appropriately to the deadlines you set for yourself.

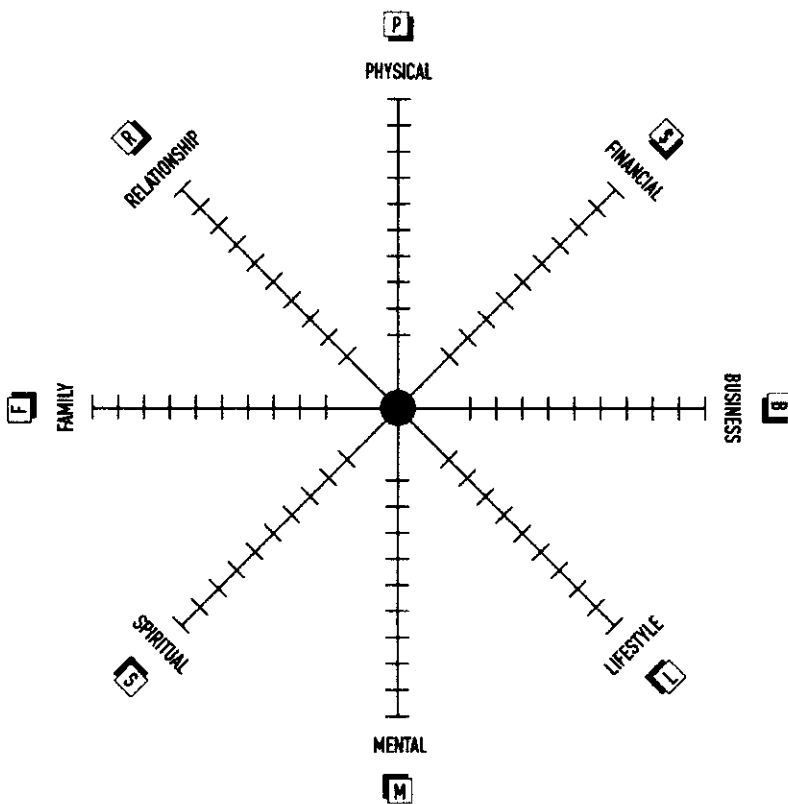
Deadlines create a challenge, and you respond to the challenge. In sports, the tension mounts as time runs out. The most exciting plays are often in the last few minutes, especially if it is a close game, because people respond in dramatic fashion to the challenge of deadlines.

**Adjust the above goals so that they are time sensitive.**

## BALANCE

Now look back at your 10 goals and be sure they represent each area of your LIFE WHEEL. The grand goal in life is whole-life success --- success, by your definition, in every area of your life. Don't end up being the freaky guy in the gym with big arms but skinny legs, or the man in the mansion with a garage full of cars but no joy or anyone to share it with.

**Adjust the above goals so that they are balanced.**



*\*The Wheel of Life is adapted from a concept employed by Success Motivation International<sup>®</sup>, Inc.*

## BANNER GOALS

I believe in focus, focusing on the most important and valuable priorities of our life. Sometimes we pursue too much and achieve too little. It's hard to chase multiple rabbits. Let's prioritize your goals into your top three goals.

<b>MY TOP THREE GOALS</b>